

Farm State Lawmakers Introduce Legislation to Ease Agricultural Trade Restrictions with Cuba

Bill Removes Barriers for Present and Future Sales of U.S. Products

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WASHINGTON, D.C. - Representatives Jerry Moran (KS), Stephanie Herseth (SD), Jo Ann Emerson (MO) and Mike Ross (AR) this week introduced legislation to increase the ability of U.S. agriculture producers to market their products to Cuba. H.R. 1026, the Agricultural Export Facilitation Act of 2007, removes barriers to present and future sales of U.S. agricultural products to Cuba under the Trade Sanctions Reform and Export Enhancement Act of 2000. The introduction of this legislation comes after a Congressional delegation's visit to Cuba in December to meet with Cuban government, trade and religious leaders.

“With the stepping aside of Cuban dictator Fidel Castro, this is an opportune time to encourage the United States to change its trade policies toward Cuba,” Moran said. “Cuba is an important market for U.S. agriculture, as well as for manufacturers and distributors of food products. But the actions of our own government have created a climate of

uncertainty and have inhibited the sale of agricultural goods. Our unreliable and uncertain trade policies are sending the signal to Cuba that it is easier to purchase its products elsewhere. We are only hurting ourselves."

"American farmers and ranchers are unnecessarily shut out from accessing the large and proximate Cuban marketplace," Herseth said. "In addition to the clear benefits that opening this market would hold for our domestic producers, millions of Cubans are in need of access to a safe and abundant food supply. This legislation would clarify that Cuba has the clear opportunity to purchase U.S. agricultural products, and it would re-emphasize the importance of increased markets for our domestic agriculture producers."

The passage of H.R. 4461 in 2000 allowed for the export of agriculture products to Cuba for the first time in 38 years. In 2005, however, a change by the Treasury Department to the cash payment in advance rule caused payments for agriculture exports to be made before ships leave U.S. ports rather than upon delivery, making it more difficult for American farmers to sell their products to Cuba. H.R. 1026 clarifies that a seller of a product receive payment at the time a Cuban purchaser takes physical possession of that product.

For U.S. agricultural representatives engaging in sales and transport-related activities with Cuba, this legislation will eliminate delays and denials for obtaining licenses to travel to Cuba. It will also allow Cuban officials to obtain visas for meetings with prospective U.S. exporters and for conducting sanitary and phytosanitary inspections of U.S. agriculture facilities. Finally, H.R. 1026 permits direct payments between Cuban and U.S. financial institutions. This change will permit U.S. exporters to receive payments within hours instead of days and will eliminate an unnecessary transaction fee.

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